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Houlton Maine Annual Financial Audit 2019

Houlton, Me.

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Proven Expertise & Integrity

May 19, 2020

Town Council
Town of Houlton
Houlton, Maine 04730

We were engaged by the Town of Houlton, Maine and have audited the financial statements of the Town of Houlton, Maine as of and for the year ended December 31, 2019. The following statements and schedules have been excerpted from the 2019 financial statements, a complete copy of which, including our opinion thereon, is available for inspection at the Town.

Included herein are:

Balance Sheet - Governmental Funds	Statement C
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	Statement E
Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund	Schedule 1
Schedule of Departmental Operations - General Fund	Schedule B
Combining Balance Sheet - Nonmajor Governmental Funds	Schedule C
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	Schedule D

RHR Smith & Company

Certified Public Accountants

TOWN OF HOULTON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Tax Increment Financing	Airport Projects	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,382,029	\$ -	\$ -	\$ 6,001	\$ 14,354	\$ 3,402,384
Investments	50,000	-	-	546,845	-	596,845
Accounts receivable (net of allowance for uncollectibles):						
Taxes	613,282	-	-	-	-	613,282
Liens	319,416	-	-	-	-	319,416
Other	864,670	-	-	-	-	864,670
Prepaid items	64,182	-	-	-	-	64,182
Inventory	26,872	-	-	-	-	26,872
Due from other funds	66,264	2,387,673	107,775	-	449,421	3,011,133
TOTAL ASSETS	<u>\$ 5,386,715</u>	<u>\$ 2,387,673</u>	<u>\$ 107,775</u>	<u>\$ 552,846</u>	<u>\$ 463,775</u>	<u>\$ 8,898,784</u>
LIABILITIES						
Accounts payable	\$ 215,045	\$ -	\$ -	\$ -	\$ -	\$ 215,045
Accrued payroll	51,133	-	-	-	-	51,133
Due to other governments	10,192	-	-	-	-	10,192
Due to other funds	2,944,869	-	-	3,028	63,236	3,011,133
TOTAL LIABILITIES	<u>3,221,239</u>	<u>-</u>	<u>-</u>	<u>3,028</u>	<u>63,236</u>	<u>3,287,503</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	19,555	-	-	-	-	19,555
LRAP funding	49,275	-	-	-	-	49,275
Deferred taxes	759,801	-	-	-	-	759,801
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>828,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,631</u>
FUND BALANCES						
Nonspendable - prepaid items and inventory	26,872	-	-	-	-	26,872
Restricted	-	-	107,775	549,818	39,896	697,489
Committed	-	2,387,673	-	-	420,767	2,808,440
Assigned	-	-	-	-	3,112	3,112
Unassigned	1,309,973	-	-	-	(63,236)	1,246,737
TOTAL FUND BALANCES	<u>1,336,845</u>	<u>2,387,673</u>	<u>107,775</u>	<u>549,818</u>	<u>400,539</u>	<u>4,782,650</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,386,715</u>	<u>\$ 2,387,673</u>	<u>\$ 107,775</u>	<u>\$ 552,846</u>	<u>\$ 463,775</u>	<u>\$ 8,898,784</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

TOWN OF HOULTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Tax Increment Financing	Airport Projects	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property taxes	\$ 6,205,832	\$ -	\$ -	\$ -	\$ -	\$ 6,205,832
Excise taxes	1,031,268	-	-	-	-	1,031,268
Intergovernmental revenue	1,510,579	-	185,685	-	235,106	1,931,370
Interest	104,842	-	-	-	198	105,040
Charges for services	1,850,228	-	-	-	-	1,850,228
Other revenues	370,581	-	-	1,050	101,863	473,494
TOTAL REVENUES	11,073,330	-	185,685	1,050	337,167	11,597,232
EXPENDITURES						
Current:						
General government	681,235	-	-	-	-	681,235
Protection	2,782,550	-	-	-	-	2,782,550
Public services	1,317,902	-	-	-	-	1,317,902
Employee benefits	1,448,347	-	-	-	-	1,448,347
Health and culture	324,511	-	-	-	-	324,511
Parks and recreation	516,622	-	-	-	-	516,622
Airport	208,402	-	-	-	-	208,402
Education	2,463,635	-	-	-	-	2,463,635
County tax	385,356	-	-	-	-	385,356
Unclassified	115,742	173,678	-	-	48,858	338,278
Capital outlay	-	-	18,048	-	321,779	339,827
Debt service:						
Principal	170,071	-	-	-	88,029	258,100
Interest	38,407	-	-	-	-	38,407
TOTAL EXPENDITURES	10,452,780	173,678	18,048	-	458,666	11,103,172
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	620,550	(173,678)	167,637	1,050	(121,499)	494,060
OTHER FINANCING SOURCES (USES)						
Transfers in	-	714,684	-	-	254,439	969,123
Transfers (out)	(969,123)	-	-	-	-	(969,123)
TOTAL OTHER FINANCING SOURCES (USES)	(969,123)	714,684	-	-	254,439	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(348,573)	541,006	167,637	1,050	132,940	494,060
FUND BALANCES (DEFICITS) - JANUARY 1	1,685,418	1,846,667	(59,862)	548,768	267,599	4,288,590
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 1,336,845	\$ 2,387,673	\$ 107,775	\$ 549,818	\$ 400,539	\$ 4,782,650

See accompanying independent auditors' report and notes to financial statements.

TOWN OF HOULTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 1,685,418	\$ 1,685,418	\$ 1,685,418	\$ -
Resources (Inflows):				
Property taxes	6,208,758	6,208,758	6,205,832	(2,926)
Excise taxes	1,005,500	1,005,500	1,031,268	25,768
Intergovernmental	1,485,023	1,485,248	1,510,579	25,331
Interest income	88,700	88,700	104,842	16,142
Charges for services	1,957,963	2,008,989	1,850,228	(158,761)
Other revenues	326,577	326,577	370,581	44,004
Amounts Available for Appropriation	<u>12,757,939</u>	<u>12,809,190</u>	<u>12,758,748</u>	<u>(50,442)</u>
Charges to Appropriations (Outflows):				
General government	716,442	747,973	681,235	66,738
Protection	2,888,833	2,889,717	2,782,550	107,167
Public services	1,270,839	1,315,144	1,317,902	(2,758)
Employee benefits	1,468,450	1,476,143	1,448,347	27,796
Health and culture	319,260	329,557	324,511	5,046
Parks and recreation	533,675	538,319	516,622	21,697
Airport	155,096	196,493	208,402	(11,909)
Education	2,463,635	2,463,635	2,463,635	-
County tax	385,356	385,356	385,356	-
Unclassified	183,748	183,748	115,742	68,006
Debt service:				
Principal	170,071	170,071	170,071	-
Interest	38,701	38,701	38,407	294
Transfers to other funds	914,123	969,123	969,123	-
Total Charges to Appropriation	<u>11,508,229</u>	<u>11,703,980</u>	<u>11,421,903</u>	<u>282,077</u>
Budgetary Fund Balance - December 31	<u>\$ 1,249,710</u>	<u>\$ 1,105,210</u>	<u>\$ 1,336,845</u>	<u>\$ 231,635</u>
Utilization of Unassigned Fund Balance	<u>\$ 435,708</u>	<u>\$ 580,208</u>	<u>\$ -</u>	<u>\$ (580,208)</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE B

TOWN OF HOULTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Administration	\$ 480,274	\$ 19,509	\$ 499,783	\$ 493,323	\$ 6,460
Assessing	77,865	7,573	85,438	77,461	7,977
Code enforcement	58,419	-	58,419	56,837	1,582
Community development	48,903	4,449	53,352	53,184	168
Planning board	2,850	-	2,850	430	2,420
In lieu of taxes	48,131	-	48,131	-	48,131
Total	<u>716,442</u>	<u>31,531</u>	<u>747,973</u>	<u>681,235</u>	<u>66,738</u>
PROTECTION					
Protection	494,095	-	494,095	486,447	7,648
Police department	1,077,610	-	1,077,610	997,320	80,290
Fire department	516,401	442	516,843	510,575	6,268
Ambulance department	800,727	442	801,169	788,208	12,961
Total	<u>2,888,833</u>	<u>884</u>	<u>2,889,717</u>	<u>2,782,550</u>	<u>107,167</u>
PUBLIC SERVICES					
Public services	970,839	44,305	1,015,144	1,019,500	(4,356)
Road maintenance	300,000	-	300,000	298,402	1,598
Total	<u>1,270,839</u>	<u>44,305</u>	<u>1,315,144</u>	<u>1,317,902</u>	<u>(2,758)</u>
EMPLOYEE BENEFITS	<u>1,468,450</u>	<u>7,693</u>	<u>1,476,143</u>	<u>1,448,347</u>	<u>27,796</u>

SCHEDULE B (CONTINUED)

TOWN OF HOULTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
HEALTH AND CULTURE					
Health and social services	20,365	9,629	29,994	33,917	(3,923)
Outside agencies	196,297	226	196,523	196,522	1
Cemeteries	59,973	442	60,415	54,113	6,302
Rest area	42,625	-	42,625	39,959	2,666
Total	319,260	10,297	329,557	324,511	5,046
PARKS AND RECREATION					
Administration	82,462	2,144	84,606	84,606	-
Youth	99,100	-	99,100	93,073	6,027
Maintenance	155,376	-	155,376	150,415	4,961
Arena	196,737	2,500	199,237	188,528	10,709
Total	533,675	4,644	538,319	516,622	21,697
AIRPORT					
Administration	155,096	41,397	196,493	208,402	(11,909)
Total	155,096	41,397	196,493	208,402	(11,909)
EDUCATION	2,463,635	-	2,463,635	2,463,635	-
COUNTY TAX	385,356	-	385,356	385,356	-
DEBT SERVICE					
Principal	170,071	-	170,071	170,071	-
Interest	38,701	-	38,701	38,407	294
Total	208,772	-	208,772	208,478	294

TOWN OF HOULTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
UNCLASSIFIED					
Public buildings	32,510	-	32,510	27,322	5,188
White building	700	-	700	658	42
Grant match	5,000	-	5,000	5,000	-
Restitution	4,000	-	4,000	3,780	220
Tax increment financing	66,278	-	66,278	66,278	-
Abatements	20,000	-	20,000	12,704	7,296
Overlay	55,260	-	55,260	-	55,260
Total	<u>183,748</u>	<u>-</u>	<u>183,748</u>	<u>115,742</u>	<u>68,006</u>
TRANSFERS					
Capital projects funds	199,439	55,000	254,439	254,439	-
Tax increment financing	<u>714,684</u>	<u>-</u>	<u>714,684</u>	<u>714,684</u>	<u>-</u>
Total	<u>914,123</u>	<u>55,000</u>	<u>969,123</u>	<u>969,123</u>	<u>-</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 11,508,229</u>	<u>\$ 195,751</u>	<u>\$ 11,703,980</u>	<u>\$ 11,421,903</u>	<u>\$ 282,077</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE C

TOWN OF HOULTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 14,354	\$ 14,354
Due from other funds	43,008	406,413	449,421
TOTAL ASSETS	<u>\$ 43,008</u>	<u>\$ 420,767</u>	<u>\$ 463,775</u>
LIABILITIES			
Due to other funds	\$ 63,236	\$ -	\$ 63,236
TOTAL LIABILITIES	<u>63,236</u>	<u>-</u>	<u>63,236</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	39,896	-	39,896
Committed	-	420,767	420,767
Assigned	3,112	-	3,112
Unassigned	(63,236)	-	(63,236)
TOTAL FUND BALANCES (DEFICITS)	<u>(20,228)</u>	<u>420,767</u>	<u>400,539</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 43,008</u>	<u>\$ 420,767</u>	<u>\$ 463,775</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE D

TOWN OF HOULTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ -	\$ 235,106	\$ 235,106
Interest income	-	198	198
Other	5,131	96,732	101,863
TOTAL REVENUES	<u>5,131</u>	<u>332,036</u>	<u>337,167</u>
EXPENDITURES			
Capital outlay	-	321,779	321,779
Debt principal	-	88,029	88,029
Other	20,156	28,702	48,858
TOTAL EXPENDITURES	<u>20,156</u>	<u>438,510</u>	<u>458,666</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,025)</u>	<u>(106,474)</u>	<u>(121,499)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	249,439	254,439
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,000</u>	<u>249,439</u>	<u>254,439</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(10,025)	142,965	132,940
FUND BALANCES (DEFICITS) - JANUARY 1	<u>(10,203)</u>	<u>277,802</u>	<u>267,599</u>
FUND BALANCES (DEFICITS) - DECEMBER 31	<u><u>\$ (20,228)</u></u>	<u><u>\$ 420,767</u></u>	<u><u>\$ 400,539</u></u>

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